



RECEIVED

DOCKET FILE COPY ORIGINAL AUG 26 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

August 26, 1997

The Honorable William F. Caton
Federal Communications Commission
Office of the Secretary
1919 M Street, N.W.
Washington, D.C. 20554

Re: Docket Number 96-128

To whom it may concern:

Thank you for the opportunity to comment on the remand issues associated with the pay telephone reclassification and compensation provisions of the Telecommunications Act of 1996.

NATSO, Inc. is the professional and governmental representative of America's travel plaza and truckstop industry, and has 1,100 members. As one of the industry groups offering the largest number of payphones to travelers nationwide, NATSO has a significant interest in the issue of payphone compensation. Truckstop and travel plaza owners have a direct economic stake in the operation of the payphones that are located directly on their property. And because they attempt to make the places where drivers use the phones as comfortable and clean as possible, they have a direct impact on the economic viability of these phones as well.

Payphones are not simply a convenience for professional drivers; they are a necessity and an important revenue source for truckstops. Not only does the travel plaza owner devote prime floor space to phone rooms, phones are frequently available in the truckers' section of the restaurant. In a truckstop restaurant, as with other restaurants, the amount of revenue generated is directly affected by the number of patrons served. The time each patron spends at a booth or table, then, affects the number of customers that can be served in a given time period and, by extension, the amount of revenue generated for the truckstop. Customers who use phones during their meal spend significantly more time at that booth, decreasing the customer turnover at the table and the amount of restaurant revenue. Truckstop owners should be able to expect to make up at least a portion of that revenue through phone compensation.

No. of Copies rec'd 024
List ABCDE

It is estimated that payphone service and location providers are currently compensated for just one out of every eight calls at a truckstop or travel plaza. The number of dial-around calls is constantly increasing, further decreasing the number of revenue-generating calls.

Included with these comments are cost breakdowns for operating and maintaining payphones at three NATSO member truckstops. These calculations are based on a square footage cost. Other costs incurred by location providers include 50 percent share on line costs, billing costs, bad debt expense, and service and maintenance costs. Installation costs a travel plaza \$1,000 per line, and travel plazas typically operate and maintain 15-75 telephones.

Travel plazas and truckstops should receive a fair percentage of the compensation generated from payphones at their locations. Travel plazas and truckstops, by providing these payphones, are sacrificing valuable floor space that could be used for other revenue-generating purposes.

Again, thank you for this opportunity to comment.

Sincerely,

A handwritten signature in cursive script that reads "Lisa Mullings".

Lisa Mullings

Associate Director, Government Affairs

- - PAY PHONE COST - -

DETROITER TRUCK STOP

Annual Cost per Phone	\$226.00
Monthly Cost per Phone	19.00
Monthly Maintenance Per Phone	<u>40.00</u>

Total Internal cost per Phone	59.00
1/2 Line Charge per Phone	<u>10.00</u>
TOTAL AVERAGE MONTHLY COST PER PHONE	<u>69.00</u>

PHONE CALL BREAK DOWN

18 Motel Phone - 3 Calls Per Day	1,620 Calls Per Mo.
49 Other Phones - 524 Calls Per Day	25,676 Calls Per Mo.
TOTAL CALLS PER MONTH	<u>27,296</u>

\$69.00 PER PHONE X 67 PHONES =	\$4,623.00 COST PER MO.
\$4,623.00 /* 27,296 CALLS PER MONTH =	<u>.169 PER CALL</u>

RICHFIELD TRAVEL PLAZA

Annual Cost per Phone	1,290.00
/* 12 = Monthly Cost Per Phone	107.00
1/2 Line charge of \$32.00	16.00
TOTAL AVERAGE MONTHLY COST PER PHONE	<u>123.00</u>

PHONE CALL BREAK DOWN

21 Phones - 524 Calls per Day =	<u>11,004</u> Calls per Mo.

\$123.00 PER PHONE X 21 PHONES	\$2,583.00 COST PER MO.
\$2,583.00 /* 11,004 CALLS PER MONTH =	<u>.235 PER CALL</u>

PETRO TRAVEL PLAZA

Annual Cost per Phone	\$1,772.00
/* 12 = Monthly Cost per Phone	148.00
1/2 Line charge GTE \$32.60	16.00
TOTAL AVERAGE MONTHLY COST PER PHONE	<u>164.00</u>

PHONE CALL BREAK DOWN

17 Phones - 524 Calls per Day =	<u>8,908</u> Calls per Mo.

\$164.00 PER PHONE X 17 PHONES	\$2,788.00 COST PER MO.
\$2,788.00 /* 8,908 CALLS PER MONTH =	<u>.313 PER CALL</u>

AVERAGE COST PER PHONE CALL
AT TRUCK STOPS IS
\$.239 PER CALL

COST CALCULATIONS FOR PAY PHONES

	RESTAURANT (Dollars)	STATION (Dollars)	TOTAL (Dollars)
Investment (Not Building)			
\$125,066 @ 10%	12,506		12,506
\$197,657		19765	19,795
Supplies	13,003		13,003
Maintenance Supplies	1,169	11,995	23,075
Employee Wages	335,886	353,875	689,761
Rent	89,946	39,277	129,223
Utilities	89,946	39,277	129,223
Cleaning & Maint	10,009	31,900	41,909
Insurance	23,496	27,676	51,172
Property Taxes	1,336	9,915	11,251
FICA Taxes	31,510	20,212	51,722
U.E.Taxes	4,094	1,927	6,021
Deprecation	14,144	19,597	33,741
Loan Interest		40,380	40,380
TOTAL			<u>\$1,163,854</u>

Total Building 8139 Sq Ft
 21 Phones @ 9 Sq Ft = 189 Sq Ft.
 of .0232 of total Sq Ft.

X >0232

Annual Cost of Phones	27.001
*/ 12 Months = Monthly Cost	2.250
*/ 21 Phones = Cost per Phone per Month	107

Cost To Provide Public Phone Service

Description-Expense Account	Annual Expense	Square Footage Factor	Cost To Provide Telephone Service
Electrical	\$ 107,000.00	0.02	\$ 2,140.00
LP Gas	\$ 40,000.00	0.02	\$ 800.00
Property Tax	\$ 88,000.00	0.02	\$ 1,760.00
Repair & Maintenance	\$ 110,000.00	0.02	\$ 2,200.00
Insurance	\$ 80,000.00	0.02	\$ 1,600.00
Garbage	\$ 31,000.00	0.02	\$ 620.00
Waste Water	\$ 20,000.00	0.02	\$ 400.00
Cleaning Supplies	\$ 36,000.00	0.02	\$ 720.00
Cleaning Labor	\$ 195,000.00	0.02	\$ 3,900.00
Land & Building Cost (\$ 8,000,000 x 10%)	\$ 800,000.00	0.02	\$ 16,000.00
Total	\$ 1,507,000.00	0.02	\$ 30,140.00

PAY PHONE COSTS

9 SQUARE FEET REQUIRED PER PHONE
67 PHONES

TOTAL BUILDING SQ. FT. 48000
 $9/48000 = 0.0001875$

LINE COST - INSTALLATION	125.00
MONTHLY CHARGE	20.00

COSTS REQUIRED TO MAINTAIN BUILDING : (BASED ON 1996 TOTALS)

REPAIRS	275,826
ELECTRICITY	116,717
MICH CON	34,356
WATER	26,498
PROPERTY TAXES	114,000
DEPRECIATION	133,216
RENT	408,955
LIABILITY INSURANCE	30,595
INTEREST EXPENSE-BLDG.	56,916
INTEREST EXP. - NOTE	7,980

	1,205,059

9 SQ. FT. PER PHONE X .0001875

ANNUAL COST PER PHONE = 226

MONTHLY COSTS PER PHONE :

ANNUAL COST DIVIDED BY 12	19
MAINTENANCE +	40
1/2 LINE CHARGE +	10

MONTHLY COST PER PHONE	<u>69</u>
------------------------	-----------

Phone call breakdown:

18 motel phones - 3 calls per day	1620
49 other phones - 524 calls per day	<u>25,676</u>
Total calls per month	27,296

$\$69.00 \times 67 \text{ phones} = \$4,623.00$

$\$4,623.00 \div 27,296 = 16.9 \text{ cents per call}$